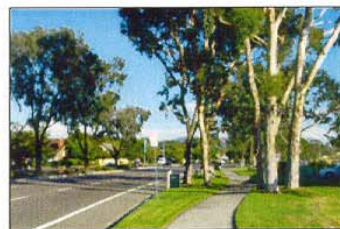
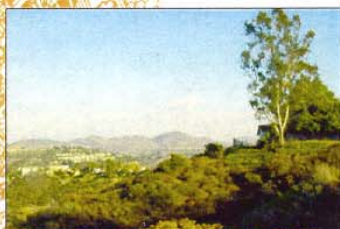


TIERRASANTA

PUBLIC FACILITIES FINANCING PLAN & FACILITIES BENEFIT ASSESSMENT



Fiscal Year 2003

May 2002



City of San Diego
Planning Department
Facilities Financing

RESOLUTION NUMBER R- 296569

ADOPTED ON MAY 28 2002

RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO
DESIGNATING AN AREA OF BENEFIT IN TIERRASANTA AND THE
BOUNDARIES THEREOF, CONFIRMING THE DESCRIPTION OF PUBLIC
FACILITIES PROJECTS, THE COMMUNITY FINANCING PLAN AND
CAPITAL IMPROVEMENT PROGRAM WITH RESPECT TO PUBLIC
FACILITIES PROJECTS, THE METHOD FOR APPORTIONING THE COSTS
OF THE PUBLIC FACILITIES PROJECTS AMONG THE PARCELS WITHIN
THE AREA OF BENEFIT AND THE AMOUNT OF THE FACILITIES
BENEFIT ASSESSMENTS CHARGED TO EACH SUCH PARCEL, THE
BASIS AND METHODOLOGY FOR ASSESSING AND LEVYING
DISCRETIONARY AUTOMATIC ANNUAL INCREASES IN FACILITIES
BENEFIT ASSESSMENTS, AND PROCEEDINGS THERETO, AND
ORDERING OF PROPOSED PUBLIC FACILITIES PROJECT IN THE
MATTER OF TIERRASANATA FACILITIES BENEFIT ASSESSMENT
AREA.

APPROVED: CASEY GWINN, City Attorney

By

A handwritten signature in black ink, appearing to read 'K. Schenone', is written over a horizontal line.

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This information will be made available in alternative formats upon request. To request a financing plan in an alternative format, call the Planning Department, Facilities Financing Section, at (619) 533-3670.

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Introduction – Scope of Report

This report constitutes an annual adjustment of the **Facilities Benefit Assessment (FBA)** as provided for in Section 61.2212 of the San Diego Municipal Code for development in Tierrasanta and adopted by City Council on May 28, 1996, by Resolution No. R-287429. The Tierrasanta community is bounded by State Route 52 to the north, Mission Trails Regional Park to the east, the San Diego River and Friars Road to the south, and by Interstate 15 to the west.

This report includes a revision to the Fiscal Year 1997 Financing Plan for the Tierrasanta Community Plan Area and sets forth the major public facilities that will be funded over the next five years while Facilities Benefit Assessments are expended. The report also includes the revised Facilities Benefit Assessment, as required by Ordinance No. O-15318 for the annual revision of an existing Facilities Benefit Assessment established to provide for specific facilities that will benefit the Tierrasanta Community.

The procedure for an FBA is set forth in the San Diego City Ordinance No. O-15318 adopted August 25, 1980. The FBA provides funding for public facilities projects that serve a designated area of benefit. The dollar amount of the assessment is based upon the cumulative cost of each public facility and is distributed equitably over a designated area of benefit in the Tierrasanta Community Plan Area.

The mechanics of the FBA are as follows:

1. In the preparation of the Facilities Benefit Assessment roll for Tierrasanta, each parcel or approved map unit in the area of benefit is apportioned its share of the total assessment according to the size and anticipated use of that property.
2. At the time of Building Permit issuance the owner of the parcel being developed is assessed an amount determined by the type and extent of the permit being requested.
3. Monies collected are placed in a City revenue account and used solely for those capital improvements shown in the FBA plan for the area of benefit.

Description of the Area of Benefit and Projected Land Uses

A Facilities Benefit Assessment is applied to residential, commercial, industrial and various combinations of these land uses, which are undeveloped at the time of the adoption of the Resolution of Intention. Such an area is known as the **Area of Benefit**. Figure 1, page 11, illustrates the boundary of the Facilities Benefit Assessment Area. Parcels of land that are considered developed are not proposed for an assessment. At the time of this update, the Tierrasanta community has developed according to plan and there are no remaining parcels on which FBAs will be assessed. This update serves to provide a schedule by which public facilities will be financed with the remaining Facilities Benefit Assessments. See Table 6, page 17, for a summary of the projects to be completed within the Area of Benefit.

The location and extent of this area is determined by reference to the County Assessor parcel maps, tentative subdivision maps currently on file, and from information supplied by affected property owners. This determination, supplemented by the Tierrasanta Community Plan, the Precise Plans, zoning, and areas where assessments have been paid, indicates for these FBA areas, a distribution as follows:

As of July 1, 2001

Land Use	Actual	To Go	Total
Singe-Family Residential Units	7,859	0	7,859
Multi-Family Residential Units	3,360	0	3,360
Commercial Acres	37.63	0	37.63
Industrial Acres	8.04	0	8.04

A summary of development for the Tierrasanta community is presented in Table 1, page 12. The community has developed according to the Tierrasanta Community Plan with no remaining parcels to be developed.

Timing and Cost of Facilities

The public facilities projects remaining to be financed by the Tierrasanta community FBA funds are shown in Table 6, the **Tierrasanta Project Summary** beginning on page 17. The Tierrasanta Project Summary includes the project

title; fiscal year in which construction is expected; estimated costs; and source of funding. Categories of projects include a fire station, community swimming pool, skateboard park, neighborhood and community parks, transportation improvements, and administrative costs associated with the development, implementation, and operation of the FBA program. The Facilities Benefit Assessment for park projects has replaced park fees within the Tierrasanta Community Planning Area. Park fees are no longer collected in accordance with San Diego Municipal Code Section 102.0406. Detailed descriptions of projects follow the Tierrasanta Project Summary and begin on page 23.

Method of Apportioning Assessments

To spread the assessment for public facilities between the different classes of land use, an **Equivalent Dwelling Unit** or **EDU** has been established for each classification. The basis for the EDU ratios is a single-family dwelling unit. The other classes are assigned an EDU ratio per dwelling unit, commercial acre, or industrial acre in proportion to their respective benefit.

Since the relationship between land use and the degree of benefit from different public facilities can vary substantially, an Equivalent Dwelling Unit ratio has been identified for each category of facility to be constructed under the FBA. The following chart shows the EDU ratios, which are used to prepare these public facilities assessments:

EDU Ratios

FACILITY TYPE	SFDU	MFDU	CAC	IAC
Neighborhood Park	1	.7	-	-
Community Park	1	.7	-	-
Fire Station	1	.7	9	6
Water Line	1	.7	15	15
Library	1	.7	-	-
Park and Ride	1	.7	-	-
Sewer Pump Station	1	.7	18	18
Transportation	1	.7	22	20

A complete description of the background used to determine the relative levels of benefit from each public facility, and the corresponding equivalent dwelling unit ratio, was originally presented in the North City West Public Facilities Financing Plan of April 1982 as follows:

Equivalent Dwelling Unit Factors

In order to provide a means of spreading assessments for needed public facilities between different classes of land use, an equivalent dwelling unit (EDU) has been established for each class. The base for the EDU ratios is a single-family dwelling unit, and the other classes have been assigned an EDU ratio per dwelling unit or acre in proportion to their benefit.

Since the relationship between land use and the degree of benefit from different public facilities can vary substantially, the EDU ratios have been determined for each type of facility to be constructed under the FBA.

Background Information

1. Water Transmission Line.

A spread for water consumption is assumed based on water usage provided by the City of San Diego Water Utilities Department.

- Water consumption per single-family dwelling unit is 150 gallons/capita/day.*

Assume 3.2 persons per dwelling unit.

Therefore water consumption per unit equals $150 \times 3.2 = 480$ gallons/unit/day.

- Water consumption per acre of commercial or industrial land is 7,000+ gallons/acre/day.*

$7,000 \div 480 = 14.58$ DU/acre, say 15 DU/acre.

Therefore, if a single-family dwelling is used as a base, each multi-family unit and each commercial and/or industrial acre is equivalent to 15 single-family units.

2. Sewer.

A spread for sewer generation is assumed based on sewage usage provided by the City of San Diego Water Utilities Department.

- *Sewage generation per single-family dwelling unit is 280 gallons/unit/day.*
- *Sewage generation per acre of commercial and/or industrial is 5,000+ gallons/acre/day.*

$$5,000 \div 280 = 17.86 \text{ DU/acre, say } 18\text{DU/acre.}$$

Therefore, if a single-family dwelling unit is used as a base, each multi-family dwelling unit is .7 single-family unit and each commercial and/or industrial acre is 18 single-family units.

3. Fire Station.

The Fire Station EDU relates to the cost of fire department services to residential, commercial, and industrial establishments. These services and costs are defined in the San Diego Fire Department Annual Report and the City of San Diego's financial management cost revenue analysis. The services have been categorized into three groups:

- A. Suppression, maintenance, and acquisition*
- B. Prevention*
- C. Administration and support*

Knowing the commercial and industrial acreage, the total population of San Diego and assuming 3.2 persons per single-family residential unit, and fire department costs, we were able to arrive at the cost of service for a residential unit, and commercial and industrial acreage.

A. San Diego Fire Department Annual Report

	<u>Residential</u>	<u>Comm'l</u>	<u>Indust'l</u>
<i>(1) Suppression, Maintenance, & Acquisition</i>	\$20,647,308	\$2,606,983	\$2,815,542
<i>(2) Prevention</i>	386,327	1,217,572	227,036
<i>(3) Administration & Support</i>	1,464,814	266,153	211,757
<i>TOTAL</i>	\$22,498,449	\$4,090,708	\$3,254,334

B. Base Numbers

<u>Population</u>	<u>Comm'l Acres</u>	<u>Indust'l Acres</u>
890,800	5,526	6,376

C. Calculations

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
<u>G Step 1</u>			
Determine Expenses per Unit	\$25.26/capita	\$740.27/acre	\$510.40/acre

Step 2 \$80.83/sf
Establish Cost household
per Household

<u>Step 3</u>			
Determine Ratio Using SF as a Base (i.e. EDU Factor)	1	9.16/acre	6.31/acre

Again, using the single-family dwelling unit as a base, we were able to assign an EDU ratio of .7 to a multi-family dwelling, 9 to an acre of commercial land and 6 to an acre of industrial land.

4. *Neighborhood Parks and Park and Ride–Transportation Centers.*
It has been determined that neighborhood parks and park and ride facilities benefit the residential portion of the community and have no direct benefit to the commercial and industrial acreage within that community.
5. *Library and Community Parks.*
The library and parks directly benefit the residents of the community. Using single-family homes as a base, multi-family housing had been assigned a benefit that is 70% of the single-family base. This is reflective of the fact that multi-family dwelling units typically contain fewer persons per dwelling unit than single-family homes.

While it could be maintained that commercial and industrial acreage might benefit in general from the presence of the library and the park in the community, no specific benefit has been

identified. The City of San Diego Cost Revenue Analysis shows no benefit assigned to commercial and industrial acreage. The City of San Diego census showing library district and its users gives data that supports this. The Progress Guide of San Diego bases the need of parks and libraries on residential users.

6. *Del Mar Heights Road at Intersection with I-5 (Bridge Widening). The EDU factors suggested for use on the Del Mar Heights Road Bridge are based upon average daily trips generated by each use, intensities of the proposed use, and internal-external trip ratios.*

For residential uses, factors of 1 EDU per dwelling unit for single-family and 0.7 EDU per dwelling unit for multi-family are suggested for use. These factors are based on dwelling densities and average trip generation factors used by the City of San Diego Engineering and Development Department.

Since the Del Mar Heights Road Bridge is essential for external access for the industrial area of North City West, a factor based upon the expected internal-external traffic split is suggested for use. A factor of 20 EDUs per acre is suggested for use.

A similar internal-external trip split approach is suggested for commercial land uses. Although there are different generation rates and internal-external trip ratios for community and neighborhood commercial uses, an EDU factor of 22 EDUs per acre is suggested for both uses. The higher generation rate for neighborhood commercial is offset by a lower internal-external trip ratio so that the same EDU factor results.

Determination of the Dollar Assessment

The dollar assessment amount for the FBA is determined on the basis of the following information:

- Development schedule in dwelling units and acres;
- Composite EDU factors for each type of land use;
- Schedule of facility expenditures (in FY 2002 dollars) to be financed with monies from the FBA fund;
- Interest rate of 4% to be applied to any surplus monies over time;

- Inflation rate of 4% per year for determining the future costs of the facilities to be constructed for the years beyond FY 2002; and
- An assessment increase following the inflation factor application to assessments remaining unpaid at the end of each fiscal year.

Expenses from the funds are of two types:

1. Direct payments for facility costs and administration; and
2. **Credits** to developers for facilities provided in accordance with Section 61.2213 of the FBA Ordinance.

Per a reimbursement agreement adopted by City Council, a developer may be credited by the FBA fund for the cost of provided facilities. An individual developer owes deposits to the fund based upon the number of units developed in a particular year. Whether a developer or the fund provides a facility, it is treated as an expense to the FBA fund.

Given this information, a **base deposit rate** is calculated to provide sufficient money to meet the scheduled direct payments for facilities provided by the fund, and credits to the developers for FBA funded facilities that they provide. Since costs for providing facilities grow over time due to inflation and changes in the scope of the project, the deposit schedule must also increase at the same rate.

At the time of this update, the Tierrasanta Community has developed according to plan and there are no remaining parcels on which FBAs will be assessed. This update serves to provide a schedule by which public facilities will be financed with the remaining Facilities Benefit Assessments. See Table 6, page 17, for the summary of projects to be completed.

FBA Methods and Cash Flow Analysis

The Tierrasanta Cash Flow, Table 3, page 14, presents an analysis for the Tierrasanta FBA. The table shows accumulated FBA revenues (including earned interest), capital improvement expenditures, and net balances each fiscal year.

Annual updates of the cash flow analysis, incorporating actual data (project status, revenue collected, etc.), are planned during community build-out periods. In this way, potentially negative cash flow conditions can be anticipated while expenditure adjustments can be scheduled to meet fund expectations. Since needed facilities are directly related to the community growth rate, scheduling of facility development is contingent upon actual development within the community. Therefore, any slowdown in development will result in adjustments of the projected schedules for providing needed facilities. When changes in the development rate are incurred, facility schedules will be modified accordingly and a new cash flow analysis will be prepared.

Basis and Methodology by Which Automatic Annual Increases in the Facilities Benefit Assessment Will Be Computed, Assessed, and Levied

Increases in the Facilities Benefit Assessment are evaluated annually and adjusted to reflect the current economic conditions. The proposed fiscal year 2003 increase reflects a growth rate of 4%. This rate will be effective at the beginning of each fiscal year (July 1 through June 30).

Assessments are assessed and levied, based upon the type and extent of land use for each parcel within the area of benefit. The Tierrasanta Facilities Benefit Assessment Deposit Schedule in Table 2 shows the rate of deposit or assessment by each land use type for each projected year of development. For example, the assessment for a single-family dwelling unit developed during FY 2002 is \$4,196. For the same period, each multi-family unit is to be assessed \$2,937, while commercial and industrial acres are assessed \$22,542 and \$12,587 respectively. **However, since the Tierrasanta community has no remaining parcels to be developed, the Tierrasanta Facilities Benefit Assessment Deposit Schedule reflects that there is no need for new deposits following this update.**

Assessment Roll Description

After adoption of a Resolution of Designation by the City Council, which imposes the Facilities Benefit Assessment, liens are placed on the undeveloped portions of the County Assessor parcels and final map properties within the area of benefit as shown in the Assessment Listing in Table 7, page 53. **As previously stated and shown in the Assessment Listing, there are no undeveloped parcels in the Tierrasanta community that are available to be assessed.** The maps, plats and assessment rolls summary data which define the area of benefit and specify the assessments are usually delivered to the County Recorder for official recording. Assessments are based upon the type and extent of the forecasted land use.

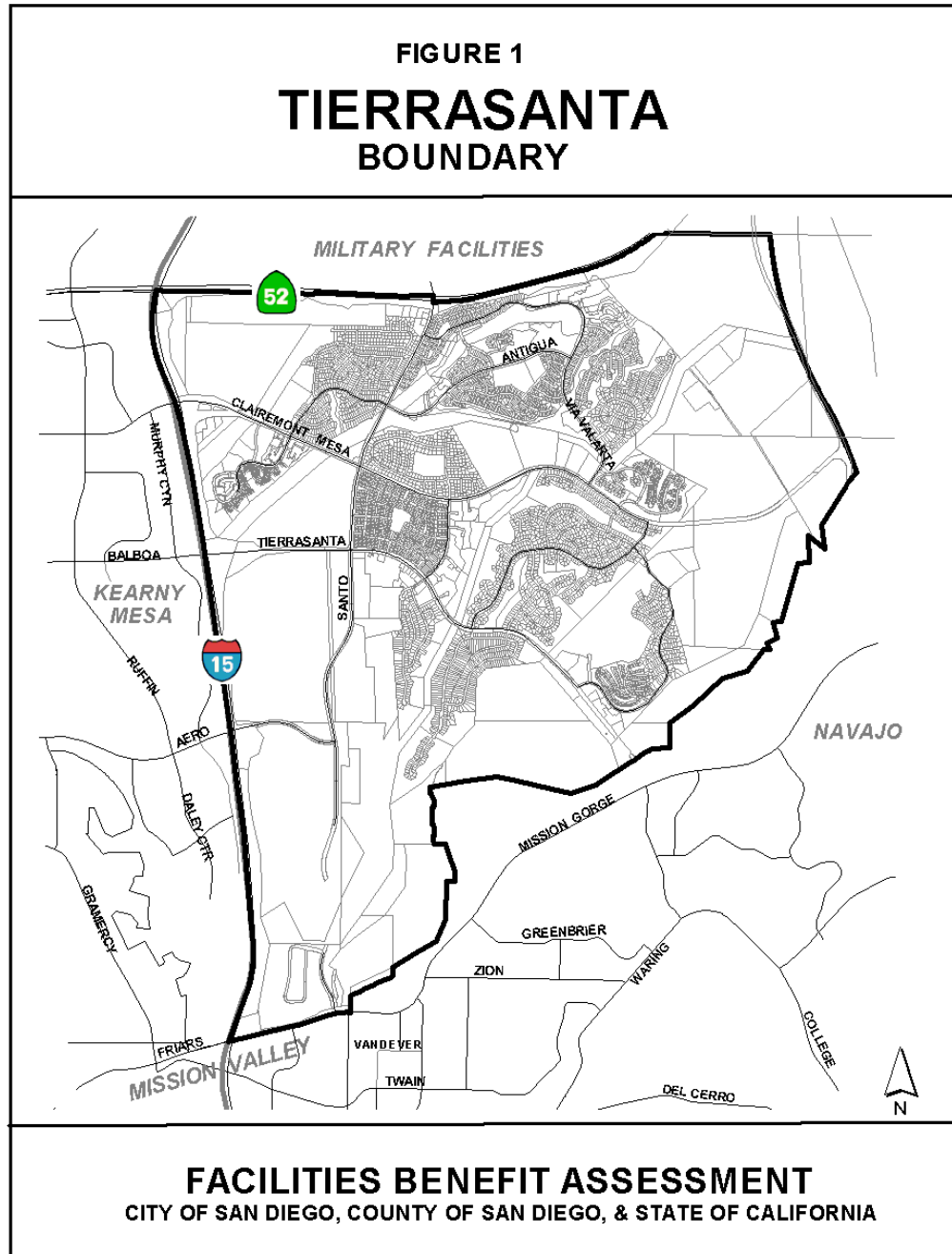
Usually, for each undeveloped map portion or parcel in the area of benefit, the Assessment Listings includes the following:

- 1) Parcel number;
- 2) Name and address of the owner on file in City records;
- 3) Projected number of dwelling units or non-residential acres to be developed; and
- 4) Resulting assessment for related properties.

The Assessment Roll usually contains ownership information as it was recorded on the last equalized assessment roll or as otherwise known to staff (Section 61.12205 of the FBA Ordinance). An Assessment Listing key is included for the Assessment Roll.

As previously mentioned in the Description of the Areas of Benefit and Projected Land Uses section of this financing plan, any parcels of land in the FBA area, which are considered developed or that have already paid assessments, are not included in this FBA. If property has been developed within the area of benefit, assessment fees were collected at the time of Building Permit issuance with payment made directly to the San Diego City Treasurer.

Facilities Benefit Assessment Boundaries



Development Schedule

Table 1 Development Schedule for Tierrasanta

Fiscal Year	SFDU	MFDU	TOTAL	CAC	IAC	TOTAL
	(Number of Dwelling Units)			(Number of Acres)		
Prior	7,958	3,360	11,318	37.63	8.04	45.67
2002	0	0	0	0	0	0
2003	0	0	0	0	0	0
2004	0	0	0	0	0	0
2005	0	0	0	0	0	0
2006	0	0	0	0	0	0
2007	0	0	0	0	0	0
PRIOR*	7,958	3,360	11,318	37.63	8.04	45.67
TO GO	0	0	0	0	0	0
TOTAL	7,958	3,360	11,318	37.63	8.04	45.67

*** Includes all development prior to FY 2003.**

Facilities Benefit Assessment/Development Impact Fee Deposit Schedule

Table 2 Tierrasanta FBA/DIF Fee Deposit Schedule

FISCAL YEAR	\$/SFDU	\$/MFDU	\$/CAC	\$/IAC
1996	\$3,725	\$2,608	\$20,014	\$11,175
1997	\$3,800	\$2,660	\$20,417	\$11,400
1998	\$3,876	\$2,713	\$20,825	\$11,628
1999	\$3,954	\$2,767	\$21,241	\$11,861
2000	\$4,033	\$2,823	\$21,666	\$12,098
2001	\$4,113	\$2,879	\$22,100	\$12,340
2002	\$4,196	\$2,937	\$22,542	\$12,587
2003	\$4,364	\$3,054	\$23,444	\$13,090
2004	\$4,538	\$3,177	\$24,381	\$13,614
2005	\$4,720	\$3,304	\$25,357	\$14,159
2006	\$4,909	\$3,436	\$26,372	\$14,726
2007	\$5,105	\$3,573	\$27,427	\$15,315
2008	\$5,309	\$3,716	\$28,522	\$15,926

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Cash Flow

Table 3

Tierrasanta FBA Cash Flow

NEDU Factors:					1.00	0.70	5.37	3.00			
FY	SFDU	MFDU	CAC	IAC	\$/SFDU	\$/MFDU	\$/CAC	\$/IAC	INPUT \$ PLUS INT.	CIP \$	NET BALANCE
TO GO:	0	0	0	0							\$2,449,289
2003	0	0	0	0	\$4,364	\$3,054	\$23,444	\$13,090	\$0	\$1,032,200	\$1,406,101
2004	0	0	0	0	\$4,538	\$3,177	\$24,381	\$13,614	\$0	\$1,017,089	\$403,772
2005	0	0	0	0	\$4,720	\$3,304	\$25,357	\$14,159	\$0	\$400,000	\$0
2006	0	0	0	0	\$4,909	\$3,436	\$26,372	\$14,726	\$0	\$0	\$0
2007	0	0	0	0	\$5,105	\$3,573	\$27,427	\$15,315	\$0	\$0	\$0
2008	0	0	0	0	\$5,309	\$3,716	\$28,522	\$15,926	\$0	\$0	\$0
TOTAL	0	0	0	0					\$0	\$2,449,289	\$0

Note: Values are rounded to the nearest dollar.

Annual inflation rat 4.0%

Interest earnings ra 4.0%

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Construction Cost Index

**Table 4 Los Angeles/San Diego
Construction Cost Index**

YEAR	CCI	% CHANGE/YEAR
1984	5051	2.4
1985	5264	4.2
1986	5446	3.5
1987	5452	0.1
1988	5773	5.9
1989	5774	0.0
1990	5789	0.3
1991	6084	5.1
1992	6286	3.3
1993	6361	1.2
1994	6475	1.8
1995	6517	0.6
1996	6522	0.0
1997	6571	0.8
1998	6673	1.6
1999	6832	2.4
2000	7056	3.3
2001	7073	0.2

As reported by *Engineering News Record*.

Consumer Price Index

Table 5 San Diego Consumer Price Index

YEAR	CPI	% CHANGE/YEAR
1984	103.5	-
1985	109.2	5.5
1986	112.8	3.3
1987	116.6	3.4
1988	121.9	4.5
1989	128.9	5.7
1990	136.5	5.9
1991	142.2	4.2
1992	147.0	3.4
1993	150.4	2.3
1994	154.3	2.6
1995	156.3	1.3
1996	159.8	2.2
1997	163.7	2.4
1998	166.0	1.4
1999	171.7	3.4
2000	179.8	4.7
2001	190.1	5.7